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Trends and progress in international development cooperation

Report of the Secretary-General*

Summary

In accordance with General Assembly resolutions 61/16, 68/1, 70/192 and 70/299, the present report is submitted by the Secretary-General for consideration by the Development Cooperation Forum, in advance of its sixth biennial high-level meeting in New York on 21 and 22 May 2018. The Forum is mandated to review trends and progress in international development cooperation, engaging all stakeholders and encouraging coordination across diverse actors and activities. The present report presents data, information and analysis across six areas: the strategic role of development cooperation in building sustainable and inclusive societies; supporting national sustainable development strategies, particularly through national development cooperation policies; bridging capacity gaps and facilitating technology development and transfer; leveraging South-South and triangular cooperation; engaging the private sector; and getting better results through strengthening the multilayered monitoring and review of development cooperation.

* The present report was submitted fewer than 10 weeks in advance of the sixth biennial high-level meeting of the Development Cooperation Forum owing to a change to the meeting dates.

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I. Introduction

1. The Development Cooperation Forum provides a global, multi-stakeholder platform for policy dialogue on development cooperation for the 2030 Agenda for Sustainable Development, building trust and leaving no one behind. The Forum reviews trends and progress in international development cooperation, encouraging coordination across diverse actors and activities. It emphasizes the sharing of knowledge and mutual learning for better results. Its outcomes include concrete guidance on development cooperation for policymakers and practitioners at all levels. It directly contributes to the implementation, follow-up and review of the 2030 Agenda, including the Addis Ababa Action Agenda on Financing for Development.[1]

2. The Forum has helped shape the role of development cooperation in the 2030 Agenda for Sustainable Development. Since 2015, it has advanced a practical, holistic concept of development cooperation that encompasses financial resources, capacity-building, technology development and transfer, policy change and multi-stakeholder partnerships.[2] The conceptual framing produced by the Forum has gained wide recognition, stimulating more productive knowledge-sharing and learning and a stronger focus on results.

3. The Forum's high-level meeting in 2016 laid bare the new realities of development cooperation and stressed the need for radical changes in the way development actors think and act. The 2030 Agenda for Sustainable Development integrates economic, social and environmental dimensions and addresses the drivers of poverty and vulnerability. Its ambition, universality and integrated nature have brought new thinking to the entire development cooperation architecture, including the United Nations system. The Addis Ababa Action Agenda, with its multi-stakeholder framework to mobilize the means of implementation, has similarly spurred new thinking.

4. The present report offers data, information and analysis across six related areas, under the theme: "The strategic role of development cooperation in achieving the 2030 Agenda: building sustainable and inclusive societies". In that way, the report addresses the annual themes of the Economic and Social Council[3] and the high-level political forum on sustainable development.[4] It aims to inform their deliberations while providing the main substantive input to the 2018 Development Cooperation Forum.

[1] See General Assembly resolutions 61/16, 68/1, 70/192 and 70/299.

[2] See E/2016/65. See also José Antonio Alonso and Jonathan Glennie, "What is development cooperation?", DCF Policy Brief, No. 1 (New York, Department of Economic and Social Affairs of the Secretariat, 2015). Available from www.un.org/en/ecosoc/newfunct/pdf15/2016_dcf_policy_brief_no.1.pdf.

[3] "From global to local: supporting sustainable and resilient societies in urban and rural communities".

[4] "Transformation towards sustainable and resilient societies".

5. The report draws on a two-year preparatory process of analytical work and outreach, expert meetings and events.[5] That includes the DCF Argentina High-level Symposium, organized by the Department of Economic and Social Affairs of the Secretariat and the Government of Argentina as an informal preparatory event for the 2018 Forum and the 2019 High-level United Nations Conference on South-South Cooperation. The report also draws on input from Member States that participated in a survey exercise conducted by the Forum, which aims to capture the state of play with regard to the effectiveness of development cooperation on the ground.[6]

II. The strategic role of development cooperation in the 2030 Agenda: building sustainable and resilient societies

6. The 2016 Development Cooperation Forum called for putting into practice a transformative focus on sustainable development results, putting the "furthest behind first" and adapting institutions and policies to support priorities and systems in developing countries. The Forum also provided strong policy guidance regarding the role of development cooperation in supporting the poorest and most vulnerable countries and people. It highlighted, among other measures, the need to meet existing commitments to official development assistance (ODA), while improving its allocation and effective use.[7]

7. According to the latest report of the Inter-Agency Task Force on Financing for Development, international public financing has increased since 2015, and efforts continue to increase its quality and effectiveness, including with regard to ODA lending by multilateral development banks and South-South cooperation.[8] The report also identified changing allocation patterns in the face of the challenging geopolitical environment, which included increased focus on climate challenges and humanitarian crises. Addressing those priorities is in full alignment with the 2030 Agenda for Sustainable Development. Further increases in quantity and quality are needed with regard to climate financing, humanitarian financing and disaster risk reduction financing. However, the allocation trends indicate the potential for development funding gaps in countries most in need of support and in areas critical to building sustainable and resilient societies. The present section considers those trends in order to identify how development cooperation must further orient itself to effectively

[5] Input was also provided by United Nations system entities, including the Economic and Social Commission for Asia and the Pacific, the Economic and Social Commission for Western Asia, the Food and Agriculture Organization of the United Nations, the International Telecommunication Union, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the Office of the Special Adviser on Africa, the United Nations Office for South-South Cooperation, the Department of Economic and Social Affairs of the Secretariat, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Children's Fund, the United Nations Industrial Development Organization, the United Nations Office for Disaster Risk Reduction, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the World Food Programme, as well as the Organization for Economic Cooperation and Development (OECD) and the Development Cooperation Forum Civil Society Organization Reference Group.

[6] An independent study on the survey findings and recommendations which will be available for the 2018 Forum. Responses come from 58 developing country governments and are anonymous. The present report draws on the preliminary findings.

[7] See E/2017/76.

[8] *Financing for Development: Progress and Prospects — Report of the Inter-Agency Task Force on Financing for Development 2018* (United Nations publication, forthcoming). Available from https://developmentfinance.un.org/advance-unedited-version-2018-iatf-report. Figures for ODA for 2017 are not available at the time of writing.

support vulnerable countries and communities, as their development is crucial to the timely realization of the 2030 Agenda.

8. More ODA should be mobilized and targeted to countries that have the fewest resources and the weakest capacities, in line with the 2030 Agenda for Sustainable Development. ODA continues to play a distinct and vital role, especially in the most vulnerable countries.[9] The 10.7 per cent increase of ODA in real terms in 2016 amounted to $145.7 billion. Excluding in-donor refugee costs, ODA rose by 8.6 per cent in real terms.[10] Only six countries met or exceeded the United Nations target of 0.7 per cent of gross national income (GNI); on average, donors of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) fell short of the target, providing 0.32 per cent. In 2016, countries met, on average, their Addis Ababa Action Agenda commitment to reverse the decline of ODA to least developed countries. In the medium term, however, the trend of ODA to least developed countries remained stagnant. In 2016, six donors provided 0.15 per cent of GNI as ODA to least developed countries; five of them exceeded the 0.20 per cent target. However, for nine members of the Development Assistance Committee, ODA to least developed countries decreased from 2015 to 2016. ODA to small island developing States increased significantly from $5.1 billion in 2015 to $7.1 billion in 2016, driven by the restructuring of the debt of Cuba by Spain.

9. Sectoral shifts in ODA allocation may have disproportionate effects on vulnerable population groups and countries, where funding of social programmes is dependent on ODA. While investments in economic sectors, humanitarian aid and in-donor refugee costs have risen steadily from 2010 to 2015, investments in social sectors have been on the decline.[11] For example, the Global Education Monitoring Report demonstrates insufficient targeting of ODA allocation to countries most in need of basic education, amid a decline in ODA to basic education spending since 2010. It suggests taking the out-of-school population as a rough proxy to estimate the financing needs, which would address the financing gap in basic education and better target ODA to those furthest behind.[12]

10. Development cooperation should further support the integration of gender equality concerns into national planning and budgetary processes. Gender-based discrimination hampers sustainable development and heightens countries' vulnerability to shocks. The adoption of "whole-of-government" approaches provides new impetus to mainstreaming gender equality in national development strategies and instruments and into all stages of policymaking, budgeting and service delivery cycles.

11. Countries need capacity support to better address the needs of vulnerable groups, including indigenous peoples and those with disabilities, to secure their basic

[9] See José Antonio Alonso, "Development cooperation to ensure that none be left behind", in Committee for Development Policy, "Summaries and key messages of papers produced by the CDP sub-group on 'leaving no one behind'", CDP2018/PLEN/10, March 2018. Available from www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-2018-Summary-LNOB.pdf.

[10] For a civil society perspective, see Concord Europe, "Concord aid watch 2017: EU aid uncovered–how to reach the target on time" (Brussels, 2017). Available from https://concordeurope.org/wp-content/uploads/2017/10/CONCORD_AidWatch_Report_2017_web.pdf?1fdb40&1fdb40&7e2b17&7e2b17.

[11] OECD, *Development Cooperation Report 2017: Data for Development* (Paris, 2017). Available from www.oecd.org/dac/development-co-operation-report-20747721.htm.

[12] UNESCO, "Aid to education is stagnating and not going to countries most in need", Global Monitoring Report Policy Paper, No. 31 (Paris, 2017). Available from http://unesdoc.unesco.org/images/0024/002495/249568e.pdf.

human rights and ensure inclusive sustainable development. To that end, some partnerships among development cooperation agencies, the private sector, civil society and indigenous communities are proving effective, such as the International Land and Forest Tenure Facility, which is advancing the collective tenure of land and forests,[13] and the Spotlight Initiative of the European Union and the United Nations launched in September 2017, which focuses on implementing comprehensive programmes to eliminate all forms of violence against women and girls.

12. Development cooperation needs to become "disaster-risk-informed" so that it is not lost to disasters and reduces rather than contributes to risks. The United Nations system committed itself to advancing harmonized application of risk and resilience across sustainable development, humanitarian, peace and security and human rights efforts with the development of an analytical framework on risk and resilience in 2017.[14] More systematic assessment of the use of disaster risk in development planning can help identify gaps; for example, the Development Assistance Committee of OECD has developed a marker for tracking disaster risk reduction mainstreaming in development cooperation, which will be implemented in 2019. Such assessments should also inform resource allocation among ex post assistance and ex ante instruments (such as insurance mechanisms and pooled funds) to increase the speed, efficiency and effectiveness of responses.

13. The contribution of development cooperation to climate action needs to be further strengthened and more deliberately targeted at those furthest behind. Climate change has a differentiated impact on countries and individuals: those furthest behind tend to be hardest hit, and women often suffer disproportionately.[15] The increased focus of climate financing on adaptation in 2017 is welcome.[16] Support to capacity-building provided to least developed countries and small island developing States needs to be stepped up to facilitate the preparation and submission of bankable proposals. In particular, least developed countries and other countries with special needs will require increased investment in "adaptive social safety nets" to strengthen the coping capacities of households and allow for better, more targeted responses to disasters.

14. Building resilience and sustainability requires well-tailored support, based on countries' needs. The 2018 report of the Inter-Agency Task Force on Financing for Development examines challenges related to graduation from concessional financing windows faced by least developed countries and many other small and vulnerable countries, including some that have relatively high levels of per capita income yet also have extreme vulnerability to external shocks. The report encourages additional flexibilities, building on existing exceptions made by the multilateral development banks, and calls more broadly for additional support to countries as they manage transitions between different sources of development finance.

15. Progress to strengthen country ownership and leadership and align support with country priorities must be secured and advanced. Recent years show a fall in country programmable aid, which is the share of ODA that countries can programme and over which recipients have a significant say. Less ODA is provided in the form of budget support or pooled funding and a greater proportion is now non-transfer ODA (e.g., the hosting and processing of refugees, administrative costs, humanitarian aid).[17]

[13] See http://thetenurefacility.org/about-us/advisory-group-members-2-2/.

[14] See CEB/2017/6.

[15] See CEDAW/C/GC/37 (forthcoming).

[16] Charlene Watson, Neil Bird and Liane Schalatek, "10 things to know about climate finance in 2017", December 2017. Available from www.odi.org/sites/odi.org.uk/files/resource-documents/12097.pdf.

[17] See *Financing for Development: Progress and Prospects, 2018*.

Moreover, tied aid still makes up a significant share of bilateral aid.[18] The continued fragmentation of ODA is detrimental, impeding countries' long-term planning and programming, and should therefore be addressed.

16. Transformative and sustained progress for peoples, planet, prosperity and peace will require implementation of the 2030 Agenda for Sustainable Development that works in tandem with the Addis Ababa Action Agenda, the Paris Agreement on climate change, the Sendai Framework for Disaster Risk Reduction 2015–2030 and the New Urban Agenda. Development cooperation should continue to support developing countries by aligning the different context-specific agendas and programmes of action, as well as regional plans, with the 2030 Agenda, which will help to build synergies, reduce duplication of efforts, increase effectiveness and strengthen development impact. A prominent example of that is the provision of support to African countries regarding the integration of the goals and targets of the 2030 Agenda and Agenda 2063 of the African Union into their national development frameworks. That was reinforced in January 2018 by the adoption of the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda to accelerate the integrated and coordinated implementation, monitoring and reporting of the two agendas through joint activities and programmes.[19]

Action points

- Close monitoring of current allocations trends is needed, as those trends indicate the potential for funding gaps in long-term development investment for countries in special situations and in areas critical to building inclusive, sustainable and resilient societies.
- Sectoral shifts in ODA allocation may have disproportionate effects on vulnerable countries and population groups and should likewise be closely monitored.
- Development cooperation should support whole-of-government approaches that integrate gender equality concerns more effectively into national planning and budgetary processes.
- Development cooperation needs to become more "disaster-risk-informed", supporting efforts to move from managing disasters to effectively managing and reducing risk and enhancing preparedness. That includes enhancing access to risk transfer mechanisms for vulnerable countries.
- The contribution of development cooperation to climate actions needs to be strengthened and targeted at those furthest behind, including through increased investment in adaptive social safety nets. Improved speed, predictability and accessibility of climate financing will help least developed countries and small island developing States in particular to better navigate that complex financing landscape. Increased capacity support is needed to facilitate the preparation and submission of bankable proposals for countries with special development needs.
- Building resilience and sustainability requires support that is well tailored to countries' development needs and additional support to vulnerable countries managing transitions between different sources of development financing.

[18] Polly Mecks, "Unravelling tied aid", European Network on Debt and Development. Available from aid www.eurodad.org/Files/pdf/1546810-unravelling-tied-aid-1516803666.pdf.

[19] Economic Commission for Africa, "United Nations-African Union leaders sign framework for implementation of Agenda 2063 and 2030 Agenda for Sustainable Development", 27 January 2018. Available from www.uneca.org/stories/un-au-leaders-sign-framework-implementation-agenda-2063-and-2030-agenda-sustainable.

- More progress is needed in strengthening country ownership and alignment with country priorities, through various measures, including with regard to reversing the declining trends in country programmable aid and budget support, reducing tied aid and addressing the fragmentation of ODA.

III. Development cooperation to support national sustainable development strategies: the role of national development cooperation policies

17. The 2016 Development Cooperation Forum provided space to exchange knowledge, information and best practices among diverse development cooperation actors undertaking a range of policy and institutional reforms in line with the 2030 Agenda for Sustainable Development. It stressed that those adaptation processes should also serve to enhance alignment of interventions with the development priorities of developing countries. The present section provides a concrete example of those processes, evaluating how developing countries are evolving their national development cooperation policies beyond ODA.

18. National development cooperation policies are a tool that developing countries use to mobilize and align international support with their sustainable development priorities. The national development cooperation policies of some countries also reflect their development cooperation with other developing countries. In support of the Sustainable Development Goals, such cooperation policies can provide a unified vision for development cooperation in its diverse forms: financial and non-financial, public and private. A national development cooperation policy may be a stand-alone document or part of a national action or development plan. The 2018 survey exercise conducted by the Forum, in which 58 developing countries participated, probed best practice and capacity development needs in the design, implementation and monitoring of national development cooperation policies, as well as other enablers for effective development cooperation.[20]

19. Developing countries are creating or adapting their national development cooperation policies to reflect the 2030 Agenda for Sustainable Development. Of the responding countries, 67 per cent had a cooperation policy in place. Countries lacking cooperation policies typically had a policy pending approval or planned to finalize one within 12 months (nine countries).[21] Of those countries that had both a national development cooperation policy and a national development strategy, 70 per cent reported that those policies were closely aligned. A total of 64 per cent stated that their national development cooperation policies addressed the 2030 Agenda; all remaining countries planned to adapt their policies accordingly.

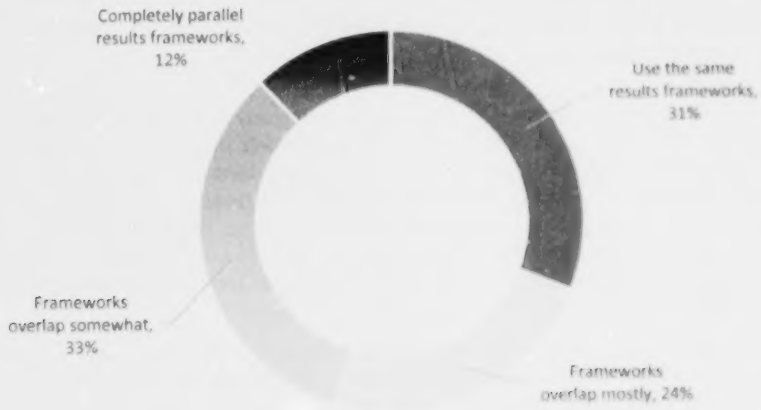
20. National development cooperation policies that clearly articulate priorities and targets can provide partners with a greater understanding of countries' needs and facilitate the use of country systems. At the level of development programmes and projects, country-led results frameworks should provide a central reference point between governments and their partners to ensure that development efforts are aligned with national development strategies. Countries need capacity in terms of systems, financing and human resources to design and promote the use of robust country results frameworks in which all partners can have confidence. Of the 39 countries that had national development cooperation policies, 69 per cent had provisions on the use of country results frameworks. Of those, 33 per cent of countries responded that their

[20] See sect. I.

[21] Only three countries reported lacking the capacity to develop a policy, while two countries report that there was no demand for such a policy.

development partners used somewhat overlapping results frameworks, and 12 per cent used completely parallel systems (see figure I).[22]

Figure I
Use of country-led results frameworks


Completely parallel results frameworks, 12%
Use the same results frameworks, 31%
Frameworks overlap somewhat, 33%
Frameworks overlap mostly, 24%

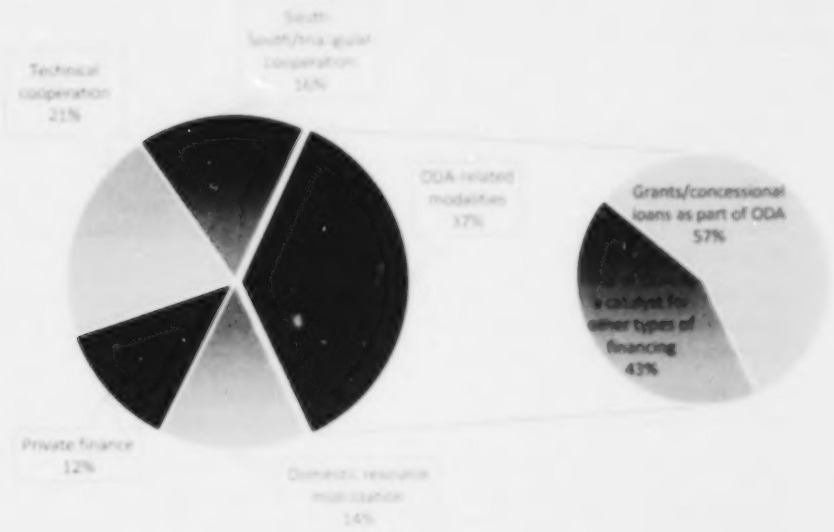
Source: Department of Economic and Social Affairs.

21. The effectiveness of national development cooperation policies could be strengthened through the clear articulation of specific targets and mechanisms to monitor and evaluate progress in their implementation. Most developing countries responding to the survey felt the specific targets in their cooperation policies were relevant (82 per cent) and covered relevant sectors (62 per cent). Some 54 per cent saw them as quantifiable and measurable. The cooperation policies primarily contained targets for the government and its ministries (92 per cent) and all international development cooperation partners collectively (64 per cent), rather than individual partners (33 per cent). One third of countries reported having conducted an independent evaluation of their international development cooperation in the past year.

22. National development cooperation policies are increasingly going beyond ODA, and they should be further utilized to mobilize and align development cooperation with national priorities. Figure II shows the relative coverage of different modalities in national development cooperation policies. Of the respondents, 82 percent reported their cooperation policies addressed both grants/concessional loans (part of ODA) and technical cooperation and other capacity-building. On average, 64 per cent had provisions for South-South and triangular cooperation. Around 49 per cent of the cooperation policies addressed private finance, and 56 per cent addressed domestic resource mobilization strategies. National development cooperation policies should make clear linkages with domestic resource mobilization strategies. Where appropriate, they should provide a framework for context-specific plans to catalyse more private capital for sustainable development financing.

[22] See also the monitoring exercise of the Global Partnership for Effective Development Cooperation, which considers 10 indicators to track progress, including the use of country-led results frameworks.

Figure II
Relative coverage of different modalities in national development cooperation policies


Technical cooperation 21%
ODA-related modalities 37%
Grants/concessional loans as part of ODA 57%
a catalyst for other types of financing 43%
Private finance 12%

Source: Department of Economic and Social Affairs.

Note: Respondents were able to select a number of different modalities covered in their national development cooperation policies. Countries that had a national development cooperation policy in place selected 154 modalities in total. Percentages refer to the proportion of those total selections by type of modality.

23. National development cooperation policies can give new impetus to efforts to improve policy coherence for development. Of the survey respondents, 62 per cent identified policy coherence as an important aspect of their cooperation policies. National development cooperation policies can help advance policy coherence for development with regard to donor policies that might conflict with development objectives. They increasingly embrace the vision of policy coherence for sustainable development of the 2030 Agenda for Sustainable Development, which calls upon all countries to adopt policies that contribute to sustainable development in all its dimensions.

24. National development cooperation policies can support inclusive whole-of-government and whole-of-society approaches, including youth and marginalized groups, and create a vital role for parliamentarians. With regard to the design of national development cooperation policies, respondents reported mainly consulting government ministries (95 per cent), followed by international development cooperation partners (87 per cent) and non-governmental/civil society organizations (76 per cent). Some 55 per cent of cooperation policies require governments to submit a progress report to their respective parliaments on the implementation of the policies.

25. National development cooperation policies will serve as an important driver of a more tailored and effective response by the United Nations development system on the ground. The United Nations development system is repositioning itself to better align with and respond to the 2030 Agenda for Sustainable Development. A key element is a revitalized, strategic and results-oriented United Nations Development Assistance Framework, aimed at better capturing national priorities and outlining a

clear United Nations response. National development cooperation policies can help countries elaborate their priorities and needs in terms of external support and calibrate a tailored system response through the United Nations country teams. An empowered and impartial resident coordinator can facilitate that process by working closely with national governments and benefiting from better support at the United Nations regional and global levels.

Action points

- Developing countries with national development cooperation policies should align them with the 2030 Agenda for Sustainable Development.
- National development cooperation policies should be used more to promote country leadership, the use of country results frameworks and inclusive whole-of-government and whole-of-society approaches.
- Specific targets, respective responsibilities and the regular monitoring and evaluation of progress should be clearly articulated and anchored in national development cooperation policies.
- Parliamentarians should be better enabled to play their vital oversight role with regard to national development cooperation policies and related processes.
- National development cooperation policies should make clear linkages with domestic resource mobilization strategies. Where appropriate, they should provide a framework for context-specific plans to catalyse more private capital for sustainable development financing.

IV. Bridging capacity gaps and facilitating technology development and transfer

26. At the 2016 Development Cooperation Forum, developing countries identified large gaps in policy and institutional capacities in two areas in particular: domestic resource mobilization and data and statistics. Fast-tracking policy reforms in countries most in need requires an understanding of how the enabling international environment is shaping and responding to: (a) the adaptation of institutions and systems to respond to the Sustainable Development Goals; and (b) countries' specific policymaking and implementing capacities. The present section uses that perspective to look at the role of development cooperation with regard to bridging capacity gaps in revenue mobilization and data and statistics and facilitating technology development and transfer.

Domestic resource mobilization

27. Development partners should further increase their capacity support for domestic resource mobilization that focuses on countries with the greatest need. Countries have increased their funding in line with the Addis Ababa Action Agenda and with the complementary, voluntary Addis Tax Initiative, which commits its members to doubling their support for tax capacity-building by 2020. ODA to domestic resource mobilization rose from $181 million, representing 0.15 per cent of ODA commitments by members of the Development Assistance Committee of OECD in 2015, to $288 million, or 0.23 per cent of commitments in 2016. However, those increases may not be sufficient and are concentrated in a few countries.[23] In many

[23] See *Financing for Development: Progress and Prospects, 2018*. The large increase was predominantly the result of two very large projects initiated by a single donor.

countries, the support falls short of the revenue level needed to achieve the Sustainable Development Goals.

28. Capacity-building support needs to respond to countries' new demands, including those arising from more integrated approaches to financing for development. Countries need sustained support to put in place laws, policies and infrastructure for tax administration and to participate in international tax norms and tax transparency standards. Other areas of need include strengthening countries' capacities to assess the impact of tax policies on efforts to reduce inequalities and building tax capacities at the subnational level in response to decentralization. Movement towards integrated, whole-of-government approaches to revenue mobilization and broader public engagement in that area is creating new capacity-building demands, such as support for the development of medium-term revenue strategies.[24]

Data and statistics

29. Development cooperation should cover funding gaps in capacity support for the collection of statistics related to the Sustainable Development Goals in countries most in need, ensuring that priority statistical areas are addressed. To close the $685 million annual funding gap for such data collection in least developed countries, ODA will need to increase by $200 million annually.[25] The share of ODA that went to statistics dropped significantly from 2013 to 2015, from 0.39 to 0.30 per cent of total ODA.[26] The top five donors[27] provided 75 per cent of disbursements in 2015. Figure III shows the regionally heterogeneous allocation of ODA to statistics in different areas across regions. In Africa, Asia and Latin America, most ODA is spent on general statistical items and methodology (surveys and censuses). Across all regions, the least funding is provided for environment and multi-domain statistics, followed by income and poverty statistics. In terms of statistical sources, capacity needs remain greatest in the area of administrative data. In many developing countries, the capacities of national statistical offices remain low and are insufficiently supported by legislative mandates, creating bottlenecks in statistical systems.

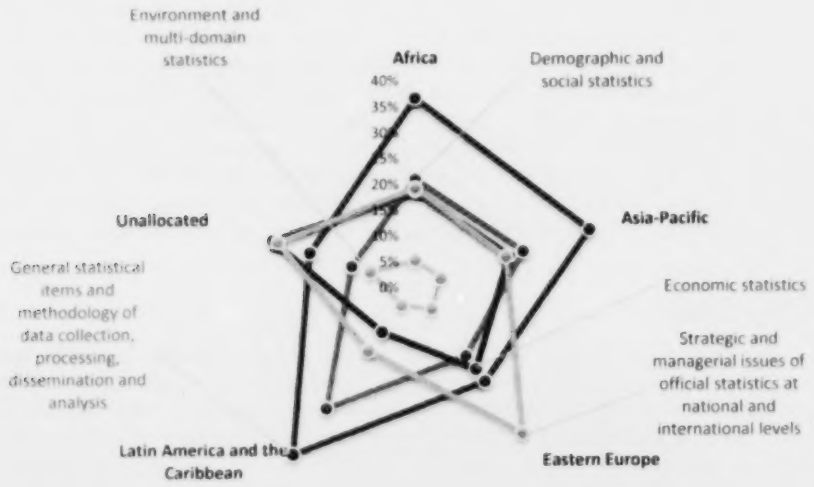
[24] To date, three countries have committed to developing medium-term revenue strategies. Such strategies are being stressed by the Platform for Collaboration on Tax (comprising the United Nations, the International Monetary Fund, the World Bank and OECD) as a building block of integrated national financing frameworks.

[25] PARIS21, *Partner Report on Support to Statistics* (2017).

[26] A lower bound.

[27] Canada, the African Development Bank, the European Commission/Eurostat, the United Nations Population Fund and the World Bank.

Figure III
Percentage of allocation of official development assistance to statistics in different areas, by region, 2006–2015



Source: Department of Economic and Social Affairs, based on data supplied by PARIS21 (2017).
Note: "Unallocated" refers to disbursements that are not country-specific.

30. Development cooperation should support the transformations in national data infrastructure and larger data ecosystems that are needed to meet the demands of the Sustainable Development Goals. National strategies for the development of statistics should aim to systematically strengthen coordination, collaboration and capacity within national statistical systems. They should also support the engagement of a wider set of users and producers of data, beyond official sources. In that way, countries can efficiently integrate, for example, geospatial information and citizen-based and big data for use in monitoring development progress and targeting those furthest behind. The Cape Town Global Action Plan for Sustainable Development Data provides a framework that engages governments, policy leaders and the international community to prioritize the needed modernization and strengthening of national statistical systems, in line with the 2030 Agenda for Sustainable Development.

Science, technology and innovation

31. Capacity-building for science, technology and innovation helps to identify and scale up affordable solutions that are socially inclusive, environmentally friendly and address the needs of the poor. Countries with limited capacities, in particular, will need support to put in place broad-based, country-owned national science, technology and innovation strategies and policies. Initiatives such as the Technology Bank for the Least Developed Countries will make an important contribution to strengthening the science, technology and innovation capacities of the least developed countries. Multi-stakeholder global and regional platforms should be further utilized to share successful science, technology and innovation policies and strategies, explore new opportunities and promote coordination and collaboration. In addition to the multi-stakeholder forum on science, technology and innovation for the Sustainable

Development Goals at the global level, examples of other platforms include the Association of Southeast Asian Nations (ASEAN) Plan of Action on Science, Technology and Innovation 2016–2020 and the Southern African Development Community's strategic framework on science, technology and innovation for 2015–2020, supported by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

32. The expansion of South-South and triangular cooperation in the science, technology and innovation realm creates new opportunities. South-South cooperation should build on its strengths in adapting appropriate, affordable technologies and solutions to local contexts, helping countries generate and sustain their own knowledge.[28] Priority attention must be given to the long-term sustainability of South-South science, technology and innovation initiatives, including through mobilizing resources, scaling up successful demand-driven initiatives and moving from projects to operations, within applicable legislative frameworks and capacities.

33. Successful science, technology and innovation policies rely on fully employing the talents of both women and men. To that end, UNESCO has developed a set of tools to monitor the progress of women in science, technology, engineering and mathematics.

Action points

- More capacity support for domestic resource mobilization is needed in countries furthest from nationally defined revenue levels to achieve the Sustainable Development Goals, and more attention should be paid to the subnational level.
- Development cooperation should respond to countries' moves to more integrated approaches in national budget and revenue strategies.
- More attention should be paid to strengthening the capacities of countries to assess the impact of different tax systems on efforts to reduce inequalities.
- Development cooperation should support countries with regard to putting in place broad-based, country-owned science, technology and innovation strategies and policies that include gender perspectives.
- South-South and triangular cooperation should be further deployed as frameworks for scaling up best practices and fostering the development, transfer and adaptation of affordable science, technology and innovation solutions.
- Development cooperation should be increased to target funding to countries that have the weakest capacities in statistics, ensuring attention to vital statistical areas.
- With regard to supporting national strategies for the development of statistics, the Cape Town Global Action Plan for Sustainable Development Data offers a framework for the much-needed modernization and strengthening of national statistical offices so they can reach the Sustainable Development Goals.

[28] United Nations, "South-South and triangular cooperation for achieving the 2030 Agenda: building innovative and inclusive partnerships", summary of the DCF Argentina High-level Symposium, Buenos Aires, September 2017. Available from www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/dcf-argentina-summary.pdf.

V. Leveraging South-South and triangular cooperation for sustainable development

34. The 2016 Development Cooperation Forum highlighted the role of South-South cooperation in reducing asymmetric access to development opportunities and responding directly to local demands. The present section identifies ongoing and innovative efforts to forge broad-based and structured South-South and triangular cooperation that supports sustainable development.[29]

35. The 2030 Agenda for Sustainable Development and other major frameworks, including the Addis Ababa Action Agenda, the Paris Agreement and the Sendai Framework, give new impetus to South-South and triangular cooperation. South-South cooperation continues to show steady expansion, diversification and resilience. Recent years have seen the emergence of new actors, more inclusive partnership arrangements and innovative modalities of development cooperation. Those changes are strengthening development efforts at all levels to combat poverty and hunger, address climate change, support infrastructure development and advance humanitarian assistance. There is a steady rise in inclusive, action-oriented policy dialogues at various levels. A growing number of Southern partners are designing systems and processes to assess the outcomes of their projects and programmes. Together, developing countries are giving heightened attention to the quality, effectiveness and contribution of their development cooperation to sustainable development.

36. The importance of South-South cooperation in localizing the 2030 Agenda for Sustainable Development and related agreements should be more widely recognized as a complement to North-South cooperation. South-South cooperation is not intended to substitute for North-South cooperation, which remains a vital form of support for developing countries, nor does the advance of South-South cooperation substitute for expedited progress in addressing systemic issues.

37. South-South cooperation reflects a plurality of approaches and diverse regional dynamics and perspectives. The Department of Economic and Social Affairs tracks development cooperation trends in South-South cooperation in part by considering official concessional resources (concessional loans and grants, debt relief and technical cooperation) provided by developing countries for development purposes.[30] That approach is in keeping with the conceptual framing of international development cooperation developed through the Development Cooperation Forum.

38. Generating estimates of South-South cooperation remains complex and challenging, given its emphasis on non-financial modalities and the lack of comparability in definitions and categories used for reporting. For example, country practices differ with regard to reporting indirect and direct costs of their projects, as do their methodologies of calculating the grant element in official loans. Estimates of development cooperation from academic institutions or international organizations can differ from those of official sources, especially as they apply common frameworks after the fact to data originally collected for other purposes. Moreover, non-financial modalities significant in South-South cooperation, including capacity-building, technology development and transfer, joint action for policy change and partnerships, are not easily quantifiable.

[29] The present section draws on input studies and policy briefs commissioned by the Department of Economic and Social Affairs from the Foro Nacional Internacional.

[30] Some Southern partners also consider non-concessional loans and commercial transactions in trade and investment as another distinct feature of their cooperation.

39. The proportion of developing countries providing development cooperation has increased from 63 to 74 per cent from 2015 to 2017, according to the 2017 survey of programme country governments conducted by the Department of Economic and Social Affairs. Of the countries providing South-South cooperation, 84 per cent reported exchanging information on science, technology and innovation in 2017.[31] That trend shows the South-South and triangular landscape undergoing significant change, affecting not only the scope of development cooperation but the diversity of actors. Similarly, the survey showed a marked rise in the number of developing countries indicating that the United Nations had undertaken activities to support South-South or triangular cooperation in their country, from 54 per cent of countries in 2015 to 84 per cent in 2017.

40. The characteristics of South-South and triangular cooperation are influencing the larger development landscape, contributing to the Global Partnership for Sustainable Development.[32] They are helping to promote the shift from a narrow focus on financing to a broader partnership dimension and the effective engagement of all stakeholders and means of implementation, stemming partly from their emphasis on non-financial cooperation. Progress in developing legal and institutional frameworks to foster effective multi-stakeholder approaches in South-South and triangular cooperation should be built upon.

41. Triangular cooperation initiatives integrate South-South principles into the project or programme design in tandem with emphasis on mutual learning, the provision of knowledge, the sharing of experiences and capacity-building.[33] In some cases, Southern partners are using triangular partnerships to facilitate the scaling up of their South-South cooperation. Innovative arrangements on that front are also emerging from the United Nations system. For instance, United Nations agencies based in Rome (the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the World Food Programme) joined together to mainstream South-South and triangular cooperation through their road map launched at the Global South-South Development Expo 2017 in Antalya, Turkey. The road map foresees joint activities, annual reports, operational collaboration and joint knowledge management, assessment, research and the monitoring and evaluation of their South-South and triangular cooperation.

42. Multilateral development banks are making a clear impact on development cooperation in the South-South and triangular space.[34] Such banks are providing needed support to cross-border projects and initiatives that were often neglected owing to complexities and risks associated with joint repayments. They are actively engaged in dialogues to harmonize and make compatible development policies and institutional reforms, and are producing analytical and knowledge products that focus on developing country contexts and experiences. South-led multilateral development banks have also demonstrated innovative approaches to governance structures that may contribute to the effectiveness of development cooperation. For instance, both

[31] Department of Economic and Social Affairs, "Report on the quadrennial comprehensive policy review monitory survey of programme country governments in 2017", final report. Available from www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/2018doc/sgr2018-survey-report-pgc.pdf.

[32] See United Nations, "South-South and triangular cooperation for achieving the 2030 Agenda".

[33] Francisco Sagasti and others, "Promoting sustainable development through triangular cooperation", DCF Policy Brief, No. 19 (New York, Department of Economic and Social Affairs, 2017). Available from www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/brief%20-203_Triangular_cooperation_final_01_09_17.pdf.

[34] Ibid., "Fostering the 2030 Agenda for Sustainable Development: the role of multilateral development banks in South-South cooperation", DCF Policy Brief, No. 18 (New York, Department of Economic and Social Affairs, 2017). Available from www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/brief_2_MDBs_final_final_010917.pdf.

the Asian Infrastructure Investment Bank and the New Development Bank have opted for streamlined operations through a non-resident board of directors, ensuring increased efficiency as loans are approved by management.

43. Developing countries are increasingly formalizing their collaborative arrangements and enhancing their institutional capacities to engage in development cooperation, and varying trends have been observed within and across regions. Institutions of South-South cooperation are proving instrumental with regard to developing critical capacities, formulating policies and strategic plans, coordinating national and international stakeholders, undertaking analytical and assessment work and disseminating development cooperation data and information. Existing agencies are evolving and being reinforced, and new agencies are being established. Most recently, the Government of China announced plans to establish an agency for international development cooperation in order to consolidate development policies, coordination and operations.

44. Structured and vibrant forms of development cooperation are emerging through interregional development cooperation mechanisms and frameworks. The arrangements provide high-level platforms for knowledge-sharing and mutual learning among Southern partners, involving both State and non-State actors, including parliamentarians, representatives of civil society, local authorities, women and youth, as well as representatives of the private sector. The arrangements can facilitate the formulation of coherent development strategies and cost-effective interventions, often covering many countries, and the related summits are increasingly becoming major avenues for the pledging of resources, the coordination of policies and the launching of major joint initiatives.[35]

Action points

- Raising the visibility of South-South and triangular cooperation and further analysing their added value and long-term impact on sustainable development would support the implementation of the 2030 Agenda for Sustainable Development.
- South-South cooperation needs to further develop its institutions and exchanges while preserving its strategic focus on promoting autonomy, resilience and structural change. National and regional experiences can be further codified and systematized and mainstreamed into national development plans.
- Multilateral development banks can and should play a greater role in supporting knowledge-sharing and knowledge-management networks for sustainable development in the South-South space.
- Upcoming high-level meetings on South-South and triangular cooperation can be used to advance broad-based, inclusive and structured cooperation that is effective and aligned with national development plans, the 2030 Agenda for Sustainable Development and other major global development frameworks.
- More exchanges are needed regarding ways to leverage the comparative advantages of different stakeholders in South-South and triangular cooperation and develop policy and legal frameworks applicable to them at the local, national, regional and global levels.

[35] Upcoming summits include the Forum on China-Africa Cooperation, the India-Africa Forum Summit, the BRICS Summit, which comprises Brazil, the Russian Federation, India, China and South Africa, and the ISBA Summit, which comprises India, Brazil and South Africa.

VI. Engaging the private sector in development cooperation

45. The 2016 Development Cooperation Forum emphasized improving the evidence base with regard to engaging the private sector in development cooperation in order to bring a step change in knowledge-sharing, learning and building trust in that area. The present section looks at opportunities and challenges in the specific area of blended finance.

46. Development cooperation shows increasing attention to crowding in, leveraging or catalysing additional private financing in an effort to close the large gap in infrastructure financing relating to the Sustainable Development Goals. Blended finance has much potential to support the 2030 Agenda for Sustainable Development. However, questions remain regarding the appropriate use for and structuring of blended instruments and the implications for their development impact. The private sector may lack the incentives to secure accessibility to and enhance the affordability of services, and may not adequately consider social and environmental costs and benefits and human rights obligations.[36] Depending on the circumstances, other financing arrangements, including public finance, might be more cost effective and sustainable, especially in sectors or areas where equity considerations are prevalent.

47. Developing countries must play a central role in decisions regarding the use of ODA for blending finance for development in order to ensure alignment with their priorities and strong country ownership, backed by broad-based participation. That is especially important now, as current trends point to the possible risk that increased reliance on blended financing may divert concessional funding from those social sectors and countries that are lagging most behind. Blended facilities and funds have primarily targeted sectors that have a clear business case. There is less targeting of social sectors or other areas where the alignment of public and private sectors is more difficult to achieve.[37] According to a survey conducted by OECD in 2016, only 7 per cent of private finance mobilized between 2012 and 2015 as a result of official development finance interventions went to projects in least developed countries.[38] Mobilization of private financing by multilateral development banks showed a similarly skewed distribution.[39] Accordingly, and particularly for countries with special needs, such as least developed countries, more analysis is required to design financial instruments that respond to their unique situations. Both broader access to blended finance and the capacity to manage it for the realization of the 2030 Agenda for Sustainable Development are critical to utilizing the potential of blended financing instruments.

48. Sequenced, coordinated and country-context-specific responses are critical to assisting least developed countries, small island developing States and other countries

[36] Office of the United Nations High Commissioner for Human Rights, "Baseline study on the human rights impacts and implications of mega-infrastructure investment", 6 July 2017. Available from www.ohchr.org/Documents/Issues/Development/DFI/MappingStudyontheHRRiskImplications_MegaInfrastructureInvestment.pdf.

[37] OECD, *Making Blended Finance Work for the Sustainable Development Goals* (Paris, 2018). Available from http://dx.doi.org/10.1787/9789264288768-en. The report discusses blended finance as it relates to Goals 1, 6, 7, 8, 9, 11, 13 and 17.

[38] Julia Benn, Cécile Sangaré and Tomaš Hos, "Amounts mobilised from the private sector by official development finance interventions", OECD Development Cooperation Working Paper, No. 36 (Paris, OECD, 2017). Available from https://live.oecd-ilibrary.org/docserver/8135abdc-en.pdf?expires=1522267389&id=id&accname=guest&checksum=9C038195E25985C2C25039C17BE4E8FF.

[39] *Financing for Development: Progress and Prospects — Report of the Inter-Agency Task Force on Financing for Development 2017* (United Nations publication, Sales No. E.17.I.5).

with special needs with expanding investment in sustainable development.[40] Promoting public-private partnerships or investment agreements without a solid legal, regulatory framework and transparent fiscal accounting poses risks, including the prioritization of the interests of investors over the populations involved, increased costs and reduced coverage. As an intermediate step, development cooperation should assist countries in building an enabling investment climate that includes an effective legal and regulatory framework, transparency and a stable, effective policy environment. Differentiated efforts would be needed to cater to the widely different needs of the various private sector actors, including micro-, small- and medium-sized enterprises. To that end, the Programme for Country Partnership developed by the United Nations Industrial Development Organization assists countries in identifying opportunities and bottlenecks with regard to advancing inclusive and sustainable industrial development. Strengthening fundamentals will help attract development finance, combat illicit financial flows and create opportunities to develop local technologies and domestic capacities. That in turn creates policy space, including with regard to the ways economic gains are distributed. Once markets have matured, development partners can gradually shift towards more direct support of private projects and programmes.

49. The relationship and interoperability of different emerging principles for blended finance and public-private partnerships needs to be clarified. The Addis Ababa Action Agenda provides overarching principles for blended finance and public-private partnerships. Since its adoption, several sets of principles have been agreed on blended finance, such as the principles for blended finance of the Development Assistance Committee of OECD and the Group of 20 principles for multilateral development banks on crowding in private sector finance. In 2017, a working group of development finance institutions and development banks updated principles and guidance for providing blended concessional finance. At present, it is not well understood how the different principles relate to the Addis Ababa Action Agenda principles for blended finance, to basic principles of effective development cooperation or to the commitment of the 2030 Agenda for Sustainable Development to leave no one behind. The 2018 report of the Inter-Agency Task Force on Financing for Development recommended that the Development Cooperation Forum or the Economic and Social Council forum on financing for development follow-up should serve as a universal platform to discuss the coordination and interoperability of the different principles.

50. The participation, transparency and accountability of key stakeholders and beneficiaries in all phases of programmes and projects needs to be strengthened, and grievance mechanisms should be put in place or strengthened. Quality public consultation throughout the programme/project cycle can provide a more nuanced understanding of the development impact of blended finance. Appropriate cost-benefit analysis and feasibility studies can enable upfront efforts to address or avoid possible negative outcomes.[41] They should assess the different needs and the multiple and intersecting disparities affecting women and girls, indigenous peoples, the young as well as the elderly, persons with disabilities, minorities, migrants and other poor, marginalized or vulnerable groups, and ensure their full participation. Ex ante assessments should be carried out and their results should be published, especially

[40] Development Initiatives, "The enabling environment for private sector development: donor spending and links to other catalytic uses of aid", discussion paper (March 2018). Available from http://devinit.org/wp-content/uploads/2018/03/the-enabling-environment-for-private-sector-development_discussion-paper.pdf.

[41] Polly Meeks, "Mixed messages: the rhetoric and the reality of using blended finance to 'leave no-one behind'", November 2017, European Network on Debt and Development. Available from http://eurodad.org/files/pdf/1546844-mixed-messages-the-rhetoric-and-the-reality-of-using-blended-finance-to-leave-no-one-behind--1511464491.pdf.

with regard to long-term investments in infrastructure, where results are difficult to reverse. Specific mechanisms should be put in place to anticipate and effectively address grievances from stakeholders.[42]

Action points

- States have an important role in strengthening the quantity and quality of private sector engagement in development cooperation, which includes ensuring that such engagement has a sustainable development impact and contributes to serving the needs of poor and vulnerable communities.
- Development cooperation should support developing countries with regard to putting in place regulations and dedicated policies that align private sector engagement with countries' priorities and the 2030 Agenda for Sustainable Development. The countries that lag furthest behind have the most urgent need for capacity support as an interim step to mobilizing and making effective use of blended finance.
- Development partners should engage governments and conduct quality public consultations with domestic stakeholders during all stages of programmes and projects.
- As the use of blended financing increases, development partners should take steps to ensure that vulnerable countries do not see a fall in their overall share of international development finance and that social sectors are not underfunded. The focus on catalysing private sector projects should not divert resources from efforts to support an enabling environment for private sector engagement, especially in countries with weak capacities.
- The relationship and interoperability of the different emerging principles for blended finance and public-private partnerships needs to be clarified by a United Nations platform such as the Development Cooperation Forum.

VII. Improving development results through strengthening monitoring and review of development cooperation

51. The 2016 Development Cooperation Forum underscored the collective responsibility of all stakeholders regarding the monitoring and review of progress towards development cooperation commitments, with emphasis on mutual learning for better development results and leaving no one behind. The present section considers how different actors are engaging in those processes and presents some knowledge gaps and areas for further action.

52. To improve results, the monitoring and review process needs to continue to evolve to capture the complex, multilayered development cooperation of the Sustainable Development Goal era. To adapt to the 2030 Agenda for Sustainable Development, mutual accountability and transparency will need to extend well beyond the relationship between developing country governments and international development cooperation partners to involve a wide range of actors and stakeholders, including national, local and regional governments, multilateral organizations and development banks, the private sector, parliaments, audit institutions and civil society.

[42] IBON International, *IBON Primer on Public-Private Partnerships (PPPs)* (Quezon City, Philippines, 2017). Available from http://iboninternational.org/sites/ibon/files/resources/IB%20Primer%20on%20PPPs.pdf.

53. Further efforts by developing countries on that front can be guided by the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda and build on well-defined national development cooperation policies. Policies for financial commitments regarding means of implementation[43] should be closely aligned with broader domestic resource mobilization strategies, budgetary processes and data from comprehensive, timely and reliable development cooperation information systems. Sufficiently disaggregated data is needed to identify the population groups most affected by multiple and intersecting disparities and discrimination. For example, greater efforts will be needed to set measurable and relevant targets for gender and to track budget allocations and expenditures against each development cooperation intervention.

54. Challenges remain with regard to the monitoring and review of progress towards the non-financial commitments. The non-financial means of implementation commitments of the Sustainable Development Goals,[44] for example, are broad, and in some cases not easily measurable. Beyond ODA, many Goals address the creation of enabling environments. They also show clear interlinkages among some of the global targets, such as technology facilitation and capacity-building. Here also, the role of the private sector and its engagement in the 2030 Agenda for Sustainable Development needs to be better articulated. Another challenge is ensuring the meaningful engagement of civil society in the monitoring and review processes of development cooperation as advocates, overseers, implementers and facilitators for knowledge-sharing.

55. Assessments by Southern partners of their own practices are taking shape, though further efforts are needed to improve transparency and strengthen accountability. Developing countries should define their own parameters for measuring their South-South cooperation. The demand for evidence on South-South cooperation and its impact was already pointed to in the 1978 Buenos Aires Plan of Action.[45] The more recent consensus for assessment and evaluation as part of regular practices has become more evident in multilateral forums and through country-led initiatives. A number of governments of the South are designing their own systems to assess their development cooperation, following different paths.[46] The evaluation experiences so far have tended to emphasize processes, and cover activities and outputs rather than results and outcomes.[47] Despite the scarcity of resources to support far-reaching evaluation, development cooperation agencies in the South are elaborating their own conceptual systems and methodological toolboxes to observe the specificity of their practices. South-South cooperation principles appear as a mainstay in approaches. The principles are also reflected in the manuals for the execution of South-South and triangular cooperation. There is little movement, beyond the Ibero-American countries, towards the establishment of a shared set of

[43] See General Assembly resolution 70/1, Goals 17.2, 17.3 and 17.4 and targets 1.a, 3.c, 8.a, 10.b, 11.c, 13.a, 15.a and b.

[44] Ibid., 17.6–17.8 (technology), 17.9 (capacity-building), 17.15 (policy and institutional coherence), 17.16 and 17.17 (multi-stakeholder partnerships).

[45] *Report of the United Nations Conference on Technical Cooperation among Developing Countries, Buenos Aires, 30 August–12 September 1978* (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I, recommendations 3, 4 and 5.

[46] Paulo Esteves, "How governments of the South assess the results of South-South cooperation: case studies of South-led approaches", DCF Policy Brief, No. 20 (New York, Department of Economic and Social Affairs, 2018). See also Arab scorecard for financing for development (E/ESCWA/EDID/2017/IG.2/5(Part I)).

[47] Including the timely completion of planned activities on budget, according to the Chinese Academy of International Trade and Economic Cooperation.

evaluation procedures and standards, which many governments of the South see as undesirable.[48]

56. Parliamentarians and local governments should be empowered with the necessary capacities and resources so as to be autonomous with regard to development cooperation oversight. Local governments are well positioned to assess the results of development interventions at the local level, including by facilitating dialogue with stakeholders to scrutinize the effectiveness of service delivery. One example is Zambia, where the constitution has been amended to provide its parliament with a budget office and the power to oversee international development cooperation agreements before their ratification.[49] However, according to the survey exercise conducted by the Forum in 2018, current reports from countries show that only around half of respondents (21 of the 39 that have national development cooperation policies) have enabled their parliaments with that oversight role.

57. Systems and processes for the monitoring and review of development cooperation at all levels should be linked in more cohesive and coherent ways. Regional monitoring mechanisms, such as the United Nations monitoring mechanism to review commitments made towards Africa's development and the African Peer Review Mechanism, can play a strengthened role. They can help connect efforts at the national and global levels to facilitate peer learning and provide supplementary data on the monitoring and review of progress towards development cooperation commitments.

58. The principles of effective development cooperation are driving the repositioning of the United Nations development system to better support the implementation of the 2030 Agenda for Sustainable Development. The Secretary-General has put the effectiveness of the system's development cooperation at the centre of his proposals on repositioning the United Nations system to better respond to the 2030 Agenda, with emphasis on reinforcing national ownership, developing country-contextual responses and ensuring the effective delivery of development results on the ground.

Action points

- To improve results, the monitoring and review process needs to continue to evolve to capture the complex, multilayered development cooperation of the Sustainable Development Goal era. Mutual accountability and transparency need to extend beyond the relationship between developing country governments and international development cooperation partners to involve a wide range of actors, stakeholders and beneficiaries. Challenges remain with regard to the monitoring and review of progress towards non-financial commitments.
- It is important that Southern partners develop country-led systems to evaluate and assess the quality and impact of South-South and triangular cooperation programmes at various levels; and improve data collection, methodologies and statistics, bearing in mind the principles and characteristics of South-South cooperation.

[48] BRICS Policy Centre, "Paths for developing South-South cooperation monitoring and evaluation systems" (2017). Available from http://bricspolicycenter.org/homolog/uploads/trabalhos/7248/doc/1260703138.pdf. See also United Nations, "South-South and triangular cooperation for achieving the 2030 Agenda".

[49] United Nations, "The role of parliamentarians and public in strengthening accountability in development cooperation: key steps to move forward", official summary of Development Cooperation Forum side event, Nairobi, 30 November 2016. Available from www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/2016doc/summary-of-side-event-at-gpedc-hlm2.pdf.

- Parliamentarians and local governments should be empowered with the necessary capacities and resources so as to be autonomous with regard to development cooperation oversight. The role of the private sector and its engagement in 2030 Agenda for Sustainable Development needs to be better articulated. Another challenge that remains is ensuring the meaningful engagement of civil society in the monitoring and review processes of development cooperation as advocates, overseers, implementers and facilitators for knowledge-sharing.

- There is a need for greater accessibility to critical data on private sector engagement, which is not always available to least developed countries. Development cooperation can support efforts to engage the private sector in co-designing, implementing and assessing the outcome of projects and in strengthening the capacities of government institutions, parliamentarians and civil society to do the same.

VIII. Conclusion

59. Development cooperation is still in flux and needs to undergo fundamental change to fully realize its potential in supporting the implementation of the 2030 Agenda for Sustainable Development. Development cooperation done right holds tremendous promise to help achieve the Sustainable Development Goals. ODA, while limited within the overall scheme of means of implementation, will remain critical. For countries with limited capacities, it will remain a distinct and vital source of development finance. For many, ODA can serve in different ways as a powerful catalyst to engage other actors, such as the private sector, in development efforts. In addition, it can help keep development cooperation firmly focused on targeting those furthest behind first.

60. Effective development cooperation can help to initiate the profound policy and programme integration required by the 2030 Agenda for Sustainable Development. It can facilitate inclusive cross-sector partnerships and provide capacity support for policy coherence for sustainable development. Capacity-building in areas such as domestic resource mobilization and national data infrastructures and systems puts developing countries in the driver's seat. It empowers them to better identify and articulate their needs in national sustainable development strategies as well as in national development cooperation policies, thereby enabling development partners to better target and tailor their support.

61. Development actors have to learn more, and more swiftly, about how to operate and achieve results in an increasingly complex and diverse development cooperation system. That means embracing diversity, for instance by building more broad-based and structured South-South and triangular cooperation; expanding the space to bring the private sector into alignment with sustainable development; and strengthening the engagement of various stakeholders, including civil society, parliamentarians, mayors and local authorities. It means facilitating a more systematic exchange of knowledge. It may also mean managing diversity by agreeing on and adhering to shared targets and principles, for instance in the area of blended finance, to build synergies, while avoiding fragmentation and the duplication of efforts. The 2018 Development Cooperation Forum serves as an occasion to take stock of the progress made in adjusting development cooperation in support of the 2030 Agenda for Sustainable Development and to identify areas where further action and research are needed to build sustainable and resilient societies.